

Date **31 JULY '86**

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 29 JUL 1986 INOTED

MEMORANDUM FOR: Comptroller

VIA: Deputy Director for Administration  
 Director of Information Technology

25X1 FROM:   
 Director of Communications

25X1 SUBJECT: Proposed National Communications System FY-88  
 National Level Program

REFERENCES:

- A. OC-0336-86, dated 10 April 1986, Subject:  
 Update on National Communications System  
 Actions and National Security Decision  
 Directive 201
- B. OC-0881-86, dated 29 January 1986, Subject:  
 Funding Implications of National Security  
 Decision Directive Number 201
- C. NCS 551/2, dated 20 May 1986, Subject:  
 Proposed Fiscal Year 1988 National  
 Level Program

25X1 1. The following information is provided to keep you  
 apprised of events occurring with the release of National  
 Security Decision Directive 201 (NSDD-201) and also as an update  
 to References A and B.

25X1 2. The National Communications System (NCS) Committee  
 of Principals (COP) have developed a response to the NSDD-97  
 Steering Group (Reference C) regarding the proposed FY-88  
 National Level Program (NLP). As can be seen from the  
 Reference C cost allocations, we have been successful in greatly  
 reducing our share from what was originally proposed in the  
 attachment to Reference B. It must be understood, however, that  
 ongoing costs or new initiatives are yet to be identified. Our  
 future share could again be significant.

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SUBJECT: Proposed National Communications System FY-88  
National Level Program

25X1 3. Apart from the issues raised in Reference C regarding the viability of the proposed NCS initiatives, we continue to voice our concern with the shared member funding provision of NSDD-201. Recently, the Executive Director and the Intelligence Community Staff raised similar concerns resulting from proposed shared member funding of costs associated with NSDD-145. The impact of NSDD-201 was cited as evidence why such a system is unworkable.

25X1 4. It is not known at this time what action(s) the NSDD-97 Steering Group will take regarding the proposed NLP. They conceivably could extend the program, delete initiatives, approve the program intact, or recognize the sensitivities raised by NSDD-201 and develop other funding mechanisms.

25X1 5. If the program is approved, the Office of the Manager, NCS, has advised that the next step will be to develop Memorandum of Agreements between the NCS and each respective NCS member agency regarding funding mechanisms. Should this occur, we would look to the Comptroller Staff for guidance.

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REFERENCE

02-0336-86

10 APR 86

MEMORANDUM FOR: Comptroller

VIA: Deputy Director for Administration

25X1 FROM:   
Director of Communications25X1 SUBJECT: Update on National Communications System Actions  
and National Security Decision Directive 201 

The following is a summary of recent events occurring at the National Communications System (NCS) stemming from the issuance of National Security Decision Directive 201 (NSDD-201). The intent is to keep all parties aware of the issues and, when/if appropriate, seek guidance on how to proceed.

a. The Department of Defense (DoD) is the Executive Agent for the NCS and presently funds for the activities of that body.

b. NSDD-201, issued December 1985, directs that funding for technical initiatives undertaken by the NCS will be shared among the member agencies commencing in FY88. It further directs that a National Level Program (NLP) and member cost allocations will be provided to the NSDD-97 Steering Group by 1 June of each year.

c. The proposed NLP and cost allocation method selected by the Office of the Manager, NCS (OMNCS), has stimulated much controversy within the member agencies. Several task forces have been formed to examine particular aspects of these issues. The actions of these task forces will be provided as soon as the results are known. Suffice to say that the legality and budgetary impact of these mandates are being explored.

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25X1 SUBJECT: Update on National Communications System Actions  
and National Security Decision Directive 201

d. The Office of Communications (OC) has expressed concern to the OMNCS both verbally and in writing. We are actively participating in the ongoing review processes. We have also discussed these issues with the Office of General Counsel and have asked for advice regarding the legality of NSDD-201 versus our statutory mission responsibilities.

e. The present method selected to derive cost allocations did not result in an equitable distribution among the NCS members. OC and the Office of Information Technology are presently reviewing the data which was utilized by the OMNCS in determining our allocation. The quantity of data--and hence, our initial share of the allocation--may be reduced. We are participating with other member agencies in an effort to develop a more equitable formula.

f. We are convinced that shared member funding is unworkable and will place undue demands upon already strained agency budgets unless the Office of Management and Budget can provide guidance and assistance. It is clear that future allocations will be significant if shared member funding is to be retained for NCS activities.

g. We have also been advised that NSDD-201 will be used as a model for another NSDD relating to costs associated with NSDD-145. It would appear that a trend is developing which may require attention from senior Agency management.

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cc: D/OIT

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OC-CC81-86

29 JAN 1986

REFERENCE

MEMORANDUM FOR: Comptroller

VIA: Director of Information Technology

FROM: Daniel C. King  
Director of Communications

SUBJECT: Funding Implications of National Security  
Decision Directive Number 201 (C)

REFERENCE: A. NSDD 201, dated 17 December 1985, Subject:  
National Security Emergency Preparedness  
Telecommunications Funding

B. OC-3722-85, dated 24 June 1985, Subject:  
National Security and Emergency Preparedness  
Telecommunications Requirements Analysis

1. This memorandum has been prepared in response to Mr. Donald Brown's telephone request for background information and an assessment of the funding implications for the Agency of National Security Decision Directive (NSDD) Number 201. (C)

2. The Secretary of Defense, in the capacity of Executive Agent for the National Communications System (NCS), is responsible for funding all national level National Security Emergency Preparedness (NSEP) telecommunications programs through FY 1987. NSDD 201 directs that beginning in FY 1988, the Department of Defense (DoD) will retain responsibility for funding development costs for NSEP telecommunications, but that the 21 other NCS members will share implementation and recurring costs with DoD. (C)

3. In the fall of 1984, the Council of Representatives (COR) to the NCS established a Benefits Analysis Task Force to identify issues which should receive NSEP attention. The final report of the Task Force, dated 23 May 1985, identified 11 technical and 14 management/policy initiatives. Technical initiatives are defined as efforts ultimately resulting in

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